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# CLASSIFICATION OF REGIONAL COMPETITIVENESS FACTORS

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**Abstract:** The current stage of economic development is characterized by increased competition at all levels, including the regional one. The problem of increasing the level of competitiveness of the region is constantly in the spotlight, since in a market economy it is competitiveness that is the catalyst for the development of regional socio-economic systems. The article is devoted to the theoretical foundations of the study of the factors of the region's competitiveness. The approaches of the authors to the classification of factors of competitiveness are analyzed. The classification of factors of competitiveness of the region is presented.

Key words: competitiveness, region, competitiveness of the region, factors, factors of competitiveness.

A small number of aggregated relative indicators, each of which is influenced by a whole system of internal and external factors, characterize the efficiency of the region. Knowledge of the action of these factors, the ability to determine their influence is a necessary condition for making managerial decisions aimed at improving the efficiency of regional development. The importance of studying the factors of competitiveness is also determined by the fact that they have a different nature of influence.

As the review of scientific literature shows, the authors lay various factors in the basis of the region's competitiveness and use unique approaches to their classification.

Let's consider the existing approaches to identifying and classifying factors of the region's competitiveness.

B. Grinchel and N. Kostyleva proposed the most complete classification of competitiveness factors on the subject of competition to date. It includes the following groups of factors [1, p. 344]:

1) factors of the competitiveness of the region that characterize the population (12 factors are identified aimed at creating favorable conditions for retaining and attracting qualified labor resources to the region);

2) factors of competitiveness of the region that characterize enterprises (12 factors have been identified aimed at supporting those working in the region and attracting new enterprises);

3) factors of competitiveness of the region that characterize small businesses (10 factors are identified aimed at creating favorable conditions for the development and attraction of small businesses);

4) factors of competitiveness of the region, covering investments in infrastructure (7 factors aimed at the infrastructure development of the region have been identified);

5) factors of competitiveness of the region on the subject of competition «tourists» (10 factors have been identified aimed at increasing the tourist and recreational attractiveness of the region).

The authors logically separate the factors of competitiveness on the subject of competition, since the range of instruments of regional economic policy used and their effectiveness in relation to different consumer groups will vary. At the same time, such an approach makes it possible to identify those factors of competitiveness that will be common (directly or indirectly) for selected consumer







groups – this is the level of wages, quality of life, the solvency of the population, the availability of investment sites, transport accessibility, the level of infrastructure development, etc. In addition, since the classification of competitiveness factors on the subject of competition can be represented by the relevant target groups of consumers, the authors come to the conclusion that these subjects of competition are at the same time objects that the efforts of the subject of regional management (regional leadership) are aimed at [1, p. 333].

A. Gavrilov, within the framework of this approach, proposes to classify the factors of the region's competitiveness into external and internal according to the criterion of their belonging to the external or internal environment of the region [2, p. 84]:

- internal factors: production, resource and personnel potential of the region; regional budget; regional development strategy;

- external factors: external suppliers of goods and services; general economic, general political and scientific and technical factors.

The approach to the classification of factors of competitiveness of the territory, proposed by M. Porter [3, p. 457], today is the most popular. He brings together various private factors of the competitiveness of a territory (as applied to a country or region) into four determinants that form the «competitive rhombus» model. These determinants of competitiveness are:

1. Conditions for factors (the position of the country in factors of production, such as the availability of skilled labor and infrastructure necessary to compete in this industry).

2. The state of demand (the nature of domestic demand for an industry product or service. A country gains a competitive advantage in those industries in which domestic demand provides companies with an understanding of the needs of buyers. Demanding buyers put pressure on companies, forcing them to innovate and produce better products).

3. Related and supporting industries (presence or absence in a given country of supplier industries or other related industries that are internationally competitive. Related and supporting industries provide innovation and modernization based on close business contacts using short communication lines, quick and constant access to information, exchanging ideas or innovations).

4. Sustainable strategy, structure and rivalry (existing conditions in the country for the creation, organization and management of companies, as well as the nature of internal competition. For example, the existence of regulatory legal acts protecting the right of ownership).

M. Porter, within the framework of his theory of the competitiveness of the nation, divides the groups of factors that he grouped into determinants of competitiveness, according to the priority of their use at various stages of the development of the nation (country) in the system of international economic relations.

This circumstance makes it possible to assess the impact of economic growth on qualitative changes in priorities in the use of certain factors of competitiveness, which ultimately determines the level of competition at which a country (region) is currently located. In turn, the level of competition makes it possible to accurately identify a group of countries (regions) – direct competitors, to conduct a comparative assessment and identify the potential for increasing competitiveness.

Further use and development of the «competitive rhombus» model and the concept of the stages of development of the nation by M. Porter by other authors made it possible to develop an approach to the classification of competitiveness factors, which involves the allocation of competitive advantages of a different order on their basis.

Researcher S. Kazantsev provides a list that includes the following 11 factors of the region's competitiveness:

1. Materialized capital (quantity and quality of land, volume, structure, condition and efficiency of fixed assets).

2. Human capital (number and structure of the population and employees, their cultural level and professional training).

3. Financial capital.

4. Intangible capital (intellectual property, information).



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- 5. State of the market environment (level of competition, market infrastructure).
- 6. Scientific potential.
- 7. Organization of economic life and management.
- 8. System of public relations and political factors.
- 9. Natural, climatic and geographical factors.
- 10. Factors of the historical plan, culture and religion.

11. Global factors and conditions (state of the world economy, globalization of the economy, external threats, participation or non-participation in international organizations and unions) [4, p. 191].

According to researcher I. Pilipenko, with a decrease in regional competitiveness (a decrease in labor productivity at enterprises, their loss of sales markets, which immediately affects both the incomes of the population and the quality of life), regions, unlike countries, are deprived of the opportunity to use the tools of monetary or customs tariff policy. To maintain the standard of living, the region will move into the category of subsidized ones, which, in the end, will cause an outflow of capital and the able-bodied population from this region to more prosperous and dynamically developing areas. The main indicators of the competitiveness of countries and regions, according to I. Pilipenko, are labor productivity, the dynamics of employment, as well as the level of wages [5, p. 91].

Belarusian researcher, I. Tochitskaya, identifies the following factors that determine the competitiveness of the territory [6, p. 5]:

- the quality of the labor force (level of education, qualifications), a developed labor market, which makes it possible to search for workers in these categories;

- the presence of research centers that allow the development of new technologies and R&D, exchange of information;

- a favorable business climate (low taxes and financial assistance from local authorities, the creation of business service facilities, the predictability of the actions of the local administration and the high quality of its management of the territory);

- creation of industrial clusters on the territory with a well-developed network of vertical links, which will reduce the costs of industrial infrastructure and facilitate the transfer of information;

- developed infrastructure, transport and information networks, proximity to international airports, financial services, etc.

- favorable living conditions (development of services and communications, recreation opportunities, etc.) and high environmental standards.

Taking into account the results of the study of literary sources, there is a need to develop a comprehensive classification of factors of the region's competitiveness, which in the future will serve as the basis for their identification, evaluation and forecasting of influence. The classification of the factors of the region's competitiveness is intended to form a multilateral, comprehensive and systematic view of the maximum possible number of factors that form the competitive advantages and stable positions of the region's competitiveness.

Let us give a classification of the factors of the competitiveness of the region, developed by O. Sovetnikova, A. Senko [7, p. 28–29], I. Novikova [8, p. 1400], supplemented by new classification features.

A classification of the factors of the competitiveness of the region by new features is proposed, namely, according to content characteristics, the level of influence, the predictability of the influence of factors and the direction of influence (Table 1).





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# Table 1 . Classification of competitiveness factors

Table 1. Classification of competitiveness factors	
Classification sign	Classification groups
Place of origin	– external;
	– internal;
Duration of exposure	short-term impact;
	<ul> <li>medium-term impact;</li> </ul>
	– long-term impact;
Way of influence	– direct impact;
	– indirect impact;
Force of influence	– having a strong impact;
	– low impact;
The nature of the impact	– administrative;
The nature of the impact	– economic;
	– social;
	– infrastructural;
Controllability of exposure	<ul> <li>– controlled;</li> </ul>
	<ul> <li>uncontrolled;</li> </ul>
Dependence on the activities of management entities	– objective;
	– subjective;
Source of growth of the region's competitiveness	– extensive;
	– intensive;
Connection with the competitive environment of the	– direct impact;
region	– feedback;
Readiness to realize the competitive advantages of the	– actualizing real competitive advantages;
· · ·	
region	- actualizing potential competitive advantages;
By prevalence	– general;
	- specific;
Targets for gaining a competitive position	- influencing the market share belonging to the
	region;
	<ul> <li>affecting the access of the region to resources;</li> </ul>
The type of effect to invoke	<ul> <li>causing a simple effect;</li> </ul>
	– causing the effect of animation;
	– causing a synergistic effect;
Impact on the region's competitive position (exit	- contributing to the improvement of the
parameters) from the region's competitiveness system	competitive position of the region;
	<ul> <li>causing a decrease in the competitive position of</li> </ul>
	the region;
Impact on the properties of the competitiveness of the	<ul> <li>property-determining forces;</li> </ul>
region	<ul> <li>– property-determining forces,</li> <li>– defining the property of speed;</li> </ul>
region	
	– defining the height property;
	<ul> <li>defining the property of dexterity;</li> </ul>
Scope of influence (scale and complexity of impact)	– complex impact;
	– local;
Influence on the parameters of entry into the system of	<ul> <li>competitive advantages of the region;</li> </ul>
competitiveness of the region	- competitive advantages of industries, industry
	and inter-industry complexes of the region;
	- competitive advantages of the territorial
	complexes of the region;
	- competitive advantages of organizations in the
	region;
	– competitive advantages of regional public
	authorities and local self-government;
Contant features	
Content features	- technical and technological;
Content features	<ul><li>technical and technological;</li><li>managerial;</li></ul>
Content features	- technical and technological;





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Classification sign	Classification groups
	– socio-psychological;
	– natural-geographical;
	– resource;
	– commodity;
	– ecological;
	– infrastructural;
Influence level	– megaeconomic;
	– mesoeconomic;
	– macroeconomic;
	– microeconomic;
Impact predictability	– factors of the predicted influence;
	– factors of unpredictable impact;
Direction of impact	– positive impact factors;
	<ul> <li>negative impact factors;</li> </ul>
	– factors of neutral influence.

The classification of the factors of the region's competitiveness according to «content characteristics» is one of the defining ones, since it allows to cover the entire system of elements that together provide a certain level of competitiveness of the region. At the same time, the priority effect of these factors in each region may vary depending on the stage of development of the national economy.

The classification feature «level of influence» allows us to identify microeconomic factors that the region can directly influence in response, and macroeconomic factors, the influence of which the region must take into account to ensure the desired level of competitiveness.

The classification feature «predictability of influence» allows, when managing the competitiveness of a region, to focus maximum attention on taking into account the influence of predictable factors and foreseeing mechanisms for redundancy, insurance, and counteraction in the event of unpredictable factors.

The classification features «direction of influence» are intended to formalize the assessment of the influence of specific factors (substantive, internal and external, etc.) on the formation of the competitiveness of the region, which will determine their priority and create an information base for making managerial decisions.

The proposed classification of factors of the region's competitiveness makes it possible to comprehensively and systematically disclose their entire possible combination in order to purposefully form competitive advantages. The classification of factors in the formation of the competitiveness of the region is intended, first of all, to identify priority and key factors, assess the strength of their influence on a particular region, predict and regulate the direction and intensity of influence.

It should be noted that the competitiveness formation factors can be formalized on the basis of economic and mathematical modeling, which will make it possible to quantify their impact on the financial, economic or market performance of the region.

Important for further scientific research is the development of a theoretical framework and the study of the essence of the economic category of the region's competitiveness, taking into account the timeliness of the interests of the national economy. A large number of economists-scientists who have certain achievements in the theoretical study of this economic category emphasize its importance for the scientific community and increase the need for its practical application for the development of the national economy in a scientific direction.

The essence of the competitiveness of the region is revealed through the prism of the systemic nature of its character according to the relevant features. And the study of the system of factors influencing regional competitiveness makes it possible to find in further research the mechanisms of influence and counteraction to the influence of subjects, if necessary, directly participating in the regional socio-economic life of the region.





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## DEFINING THE MARKETING POTENTIAL AND BOUNDARIES OF WINE TOURISM DEVELOPING IN THE REPUBLIC OF MOLDOVA

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**Annotation:** The author III this publication explores the marketing potential and boundaries of the wine tourism developing in the Republic of Moldova. The scale of the dynamics of tourist flows to Moldova the researcher shows. Namely: researcher explores their number and geography of external tourists. The author shows in dynamics the statistics of wine production in Republic of Moldova and its exports, along with these areas of research. In the final part of the publication it is noted that according to the priorities of the "Tourism 2030 Program" of the Republic of Moldova, it is important to increase the capacity of producers of tourist services to attract and support tourists for longer periods of time (at least up to 3 days of stay), the ability to generate and increase the growth rate of the number of jobs

Key words: the marketing potential, tourism, tourists, wine, wine tourism cluster

The Republic of Moldova is a small but very beautiful country, with a population of less than 3 million people, located between Romania and Ukraine. The capital of the Republic of Moldova is Chisinau, the local language is Romanian, Russian is widely used. The ATU Gagauzia (Gagauz Yeri) is situated in the southern region of the country. According to the responses of tourists, the country has hospitable people and delicious traditional (national dishes) cuisine. According to [3] the Republic of Moldova is an ideal destination for travelers of all types, and wine tourism is a strong point of the country. A number of studies have been published, confirmed and substantiated by